

RESOLUTION GRANTING THIRD ROUND SUBSTANTIVE CERTIFICATION #15-09

Pennsauken Township, Camden County

WHEREAS, on December 22, 2008, Pennsauken Township, Camden County, petitioned the Council on Affordable Housing (COAH) for substantive certification of a Housing Element and Fair Share Plan addressing its total 1987-2018 affordable housing obligation; and

WHEREAS, pursuant to N.J.S.A. 52:27D-313 and N.J.A.C. 5:96-3.5, on March 3, 2009, the Township published notice of its petition in the Daily Journal which is a newspaper of general circulation within the county; and

WHEREAS, no objections to the plan were received by COAH during the 45-day objection period, which ended April 17, 2009; and

WHEREAS, the Township's fair share plan addresses a total 1987-2018 affordable housing obligation of 562 units, consisting of a 203-unit rehabilitation share, a zero-unit prior round obligation and a 359-unit projected growth share obligation pursuant to N.J.A.C. 5:97; and

WHEREAS, COAH staff has reviewed the Township's Housing Element and Fair Share Plan, which is incorporated by reference herein; and

WHEREAS, the Township proposes to address its 203-unit rehabilitation share with 80 rehabilitation credits and a municipal rehabilitation program for 123 units; and

WHEREAS, Pennsauken proposes to address its 359-unit projected growth share obligation with 270 prior cycle credits from Sycamore Ridge and 89 credits from Stonegate at St. Stephens and Lutheran Social Ministries; and

WHEREAS, pursuant to N.J.A.C. 5:96-6.2(a)2, on May 18, 2009, COAH issued a Compliance Report (attached as Exhibit A and incorporated by reference herein) recommending approval of the Township's petition for third round substantive certification; and

WHEREAS, there was a 14-day period to submit comments to the COAH Compliance Report pursuant to N.J.A.C. 5:96-6.2(b) and COAH received no comments during this timeframe.

NOW THEREFORE BE IT RESOLVED that the Housing Element and Fair Share Plan

submitted by Pennsauken Township comports to the standards set forth at N.J.S.A. 52:27D-314 and meets the criteria for third round substantive certification pursuant to N.J.A.C. 5:96-6.3; and

BE IT FURTHER RESOLVED that pursuant to N.J.A.C. 5:97-4.1(d), all credits will be verified and validated during monitoring subsequent to substantive certification pursuant to N.J.A.C. 5:96-11; and

BE IT FURTHER RESOLVED that pursuant to N.J.A.C. 5:96-6.2(a), after having reviewed and considered all of the above, COAH hereby grants third round substantive certification to the Township of Pennsauken; and

BE IT FURTHER RESOLVED that after receiving final substantive certification, pursuant to N.J.A.C. 5:96-6.3(e), the Township of Pennsauken shall adopt all implementing Fair Share Ordinances within 45 days of this grant of substantive certification; and

BE IT FURTHER RESOLVED if the Township of Pennsauken fails to timely adopt its Fair Share Ordinances, COAH's grant of substantive certification shall be void and of no force and effect; and

BE IT FURTHER RESOLVED that Pennsauken shall submit all Fair Share Ordinances to COAH upon adoption; and

BE IT FURTHER RESOLVED that Pennsauken shall comply with COAH monitoring requirements as set forth in N.J.A.C. 5:96-11, including reporting Pennsauken's actual growth pursuant to N.J.A.C. 5:97-2.5; and

BE IT FURTHER RESOLVED that pursuant to N.J.A.C. 5:96-10.1, COAH shall conduct biennial plan evaluations upon substantive certification of Pennsauken's Housing Element and Fair Share Plan to verify that the construction or provision of affordable housing has been in proportion to the actual residential growth and employment growth in the municipality and to determine that the mechanisms addressing the projected growth share obligation continue to present a realistic opportunity for the creation of affordable housing; and

BE IT FURTHER RESOLVED that if upon any biennial review the difference between the number of affordable units constructed or provided in Pennsauken and the number of units required pursuant to N.J.A.C. 5:97-2.5 results in a pro-rated production shortage of 10 percent or greater, or the mechanisms addressing the projected growth share obligation no longer present a

realistic opportunity for the creation of affordable housing, then the Council may direct the municipality to amend its plan to address the shortfall; and

BE IT FURTHER RESOLVED that pursuant to N.J.A.C. 5:97-2.5(e), if the actual growth share obligation determined is less than the projected growth share obligation, Pennsauken shall continue to provide a realistic opportunity for affordable housing to address the projected growth share; and

BE IT FURTHER RESOLVED that pursuant to N.J.A.C. 5:96-6.3(b), Pennsauken's substantive certification shall remain in effect until December 30, 2018; and

BE IT FURTHER RESOLVED that any changes to the facts upon which this substantive certification is based or any deviations from the terms and conditions of this substantive certification which affect the ability of the Township of Pennsauken to provide for the realistic opportunity of its fair share of low- and moderate-income housing and which the Township fails to remedy, may render this certification null and void.

I hereby certify that this resolution was
duly adopted by the Council on Affordable
Housing at its public meeting on June 10, 2009

A handwritten signature in cursive script, reading "Reneé Reiss". The signature is written in black ink and is positioned above the printed name and title.

Reneé Reiss, Secretary
Council on Affordable Housing



***Council on Affordable Housing
Compliance Report
May 18, 2009***



Municipality: Pennsauken Township
County: Camden County

COAH Region: # 5
Planning Area: PA1
Special Resource Area: None

Housing Element and Fair Share Plan Adopted: December 2, 2008
Petition for 3rd Round Substantive Certification: December 22, 2008
Completeness Determination: February 26, 2009
Date of Publication: March 3, 2009 (Daily Journal)

Objections Received: No

Petition Includes:

VLA: No
GPA: No
Waiver: No **Section:** N/A

Date of Site Visit: Pending

History of Approvals:

	COAH	JOC	N/A
First Round:			X
Second Round:			X
Extended Certification:			X

Plan Preparer: Jonathan Burch, P.P.

Municipal Housing Liaison: Ed Grochowski

Recommendation: Grant Substantive Certification

SUMMARY OF FAIR SHARE OBLIGATION

Rehabilitation Share	203
Prior Round Obligation	0
Projected Growth Share Obligation (Net)	359

ACTUAL GROWTH and GROWTH SHARE through September, 2008¹

Res Units (#)	Actual Res Growth Share	Jobs (#)	Actual Non-Res Growth Share	Actual TOTAL Growth Share
128	26	334	21	47

COMPLIANCE PLAN SUMMARY

Obligation	Credit/ Mechanism Type	# Units Completed	# Units Proposed	TOTAL
Rehabilitation: 203 units				
Credits	Post-April 1, 2000	80		80
Program	County/Municipal		123	123
Rehabilitation Subtotal				203
NEW CONSTRUCTION:				
Prior Round: 0 units				
Growth Share: 359 units				
Credits	Prior Cycle	270		270
	Post-1986	89		89
Growth Share Subtotal				359

I. HOUSING ELEMENT

Pursuant to N.J.S.A. 40:55D-28(b), the Housing Element and Fair Share Plan is a required section of the Municipal Master Plan. The Housing Element must be designed to achieve the goal of access to affordable housing to meet existing and future housing needs, with special attention given to low- and moderate-income households. The housing needs analysis must include demographic information on existing and projected housing stock and employment characteristics, a quantification of low- and moderate-income housing need, and a consideration of the lands within the municipality that are

¹ This growth share number does not take into account allowable exclusions permitted under N.J.A.C. 5:97-2.4; therefore, the actual growth share may vary.

most appropriate to accommodate such housing. Pennsauken's Housing Element includes sufficient information regarding housing stock, demographic and employment characteristics and population trends pursuant to N.J.S.A. 52:27D-310.

Under N.J.A.C. 5:97-2.1(b), the Housing Element must also set forth the municipality's fair share obligation, which is the sum of the rehabilitation share, the prior round obligation and the growth share.

A. Rehabilitation Share

The rehabilitation share is the number of existing housing units within a municipality as of April 1, 2000, that are both deficient and occupied by households of low or moderate income. As indicated in Appendix B of N.J.A.C. 5:97, Pennsauken has a rehabilitation share of 203 units.

B. Prior Round Obligation

The prior round obligation is the cumulative 1987-1999 new construction obligation provided in Appendix C of N.J.A.C. 5:97. Pennsauken has no prior round obligation.

C. Projected Growth Share

The projected growth share is initially calculated based on household (residential) and employment (non-residential) 2004-2018 projections. Pursuant to Appendix F of N.J.A.C. 5:97, Pennsauken has a residential projection of 539 units and a non-residential projection of 4,020 jobs, which results in an initial projected growth share obligation of 359 affordable units. Pennsauken's total projected growth share for the period 1999-2018 is 359 affordable units consisting of a 108-unit projected residential growth share and a 251 unit projected non-residential growth share.²

² Pursuant to N.J.A.C. 5:97-2.2(d), Pennsauken's residential projection of 539 is divided by 5 to yield 108 units and the non-residential projection of 4,020 jobs is divided by 16 to yield 251 units. Pennsauken's total projected growth share is therefore 359 units (*res 108 + non-res 251*).

SUMMARY OF FAIR SHARE OBLIGATION

Rehabilitation Share	203
Prior Round Obligation	0
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II. FAIR SHARE PLAN

A Fair Share Plan, as required under N.J.A.C. 5:97-3.1, describes the completed or proposed mechanisms and funding sources, if applicable, that will be utilized to specifically address a municipality's rehabilitation share, prior round obligation, and growth share obligation and includes the draft ordinances necessary to implement that plan. Affordable housing must be provided in direct proportion to the growth share obligation generated by the actual growth.

Pennsauken's Fair Share Plan and the supporting documentation incorporated by reference therein address the requirements of N.J.A.C. 5:97-3.1 as follows:

A. Plan to Address Rehabilitation Share

Rehabilitation Share Credits

Pennsauken is requesting credit for 80 units rehabilitated subsequent to April 1, 2000. In accordance with N.J.A.C. 5:97-4.1(d), all credits will be verified and validated during monitoring subsequent to substantive certification pursuant to N.J.A.C. 5:96-11.

Rehabilitation Credits

Rehabilitation Program	# Credits
Camden County Home Improvement Program	80
TOTAL	80

Proposed Rehabilitation Program

Pennsauken Rehabilitation Program

Pennsauken will utilize its municipal Rehabilitation Program to address the remaining 123 units of its rehabilitation obligation. The Township has submitted a schedule showing that it will rehabilitate an average of 11 units per year. Pennsauken has allocated in its spending plan \$1,230,000 towards a rehabilitation program. Any shortfall of funds will be offset by bonding. On December 3, 2008, Pennsauken adopted a resolution of intent to bond for the rehabilitation program. The Township has submitted a rehabilitation manual and has designated an administrative agent for the rehabilitation program.

Proposed Rehabilitation Program

Rehabilitation Program	# Units
Pennsauken Housing Authority	123
TOTAL	123

B. Plan to Address Prior Round Obligation

Pennsauken Township does not have a Prior Round obligation.

C. Plan to Address Projected Growth Share

Growth Share Obligation Credits

Pennsauken is addressing its entire 359-unit projected growth share obligation with 270 prior cycle credits (Sycamore Ridge) and 89 post-1986 credits (Stonegate at St. Stephens and Lutheran Social Ministries). Sycamore Ridge is a 304-unit 100% affordable family rental project constructed in 1981. It is further described below. Stonegate at St. Stephens is a 75-unit age-restricted rental development sponsored by the Camden Diocese and constructed in 2007. Lutheran Social Ministries is a 71-unit 100% affordable age-restricted development sponsored by Pennsauken Lutheran Housing, Inc. and constructed in 2000. One unit in the Stonegate development is for an on-site manager

and therefore is not eligible for credit. Due to the age-restricted maximum, Pennsauken may only claim 18 of the 74 eligible units at Stonegate for credit against the third round. The Township will therefore have an excess of 56 age-restricted units which it may be able to use to address a future affordable housing obligation. In accordance with N.J.A.C. 5:97-4.1(d), all credits will be verified and validated during monitoring subsequent to substantive certification pursuant to N.J.A.C. 5:96-11.

Prior Cycle Credits

Project/Development Name	Year Built	Type of Affordable Unit	# Units/Bedrooms
Sycamore Ridge	1981	Family rental	270
TOTALS			270

Sycamore Ridge is a 304-unit 100% affordable family rental development constructed in 1981. The 30-year controls based on the current HUD contract and HMFA mortgage run through 2011. The Township has provided a letter from the property manager stating the property owner's intent to renew the HAP contract with HUD when it expires in 2011 and remain an affordable Section 8 project on a continuous basis to and beyond 2018. In the event this does not occur, the Township proposes to fund the extension of controls through development fees. Pennsauken has allocated \$650,000 in its spending plan and has adopted a resolution of intent to bond for this purpose.

Pennsauken's Fair Share Plan includes a request for 89 rental bonuses for Sycamore Ridge. Pursuant to N.J.A.C. 5:97-3.6(a)3.i, in order for a municipality to receive rental bonuses for rental units in excess of its growth share rental obligation, the unit must have been created after June 6, 1999. Since Sycamore Ridge was constructed in 1981, it does not meet this requirement for rental bonuses. As a result, COAH staff has allocated 270 units from the 304-unit development to the growth share obligation, as opposed to the Township's plan which proposed using 181 credits and 89 rental bonuses.

Post-1986 Credits

Project/Development Name	Year Built or Approved	Type of Affordable Unit	# Units/Bedrooms	Bonus Type	# Bonuses	Total Units/Bedrooms + Bonuses
Stonegate at St. Stephens	2007	Age-restricted rental	18			18
Lutheran Social Ministries	2000	Age-restricted rental	71			71
TOTALS			89			89

Growth Share Parameters

Pennsauken has satisfied the applicable Growth Share parameters as follows:

Growth Share Rental Obligation:³ 90 Units

Development/Project Name	Type of Affordable Unit	# Units
Stonegate at St. Stephens	Age-restricted rental	18
Lutheran Social Ministries	Age-restricted rental	71
Sycamore Ridge	Family rental	270
TOTAL		359

Growth Share Family Rental Requirement⁴ : 45 Units

Development/Project Name	Type of Affordable Unit	# Units
Sycamore Ridge	Family rental	270
TOTAL		270

³ Projected Growth Share Rental Obligation: .25(Projected Growth Share) or .25(359)= 90 units N.J.A.C. 5:97-3.10(b)3

⁴ Projected Growth Share Family Rental Requirement: .5(Projected Growth Share Rental Requirement) or .5(90)= 45 units N.J.A.C. 5:97-3.4(b)

Growth Share Minimum Family Requirement⁵ : 135 Units

Development/Project Name	Type of Affordable Unit	# Units
Sycamore Ridge	Family rental	270
TOTAL		270

Age-Restricted Maximum⁶ : 89 Units

Development/Project Name	Type of Affordable Unit	# Units
Stonegate at St. Stephens	Age-restricted rental	18
Lutheran Social Ministries	Age-restricted rental	71
TOTAL		89

Actual Growth Share Obligation

The actual growth share obligation will be based on permanent certificates of occupancy issued within the municipality for market-rate residential units and newly constructed or expanded non-residential developments in accordance with Appendix D of N.J.A.C. 5:97. At plan evaluation review pursuant to N.J.A.C. 5:96-10, COAH will compare the actual growth share obligation with the actual number of affordable units constructed.

The New Jersey Department of Community Affairs (NJ DCA) *Construction Reporter* indicates that between January 1, 2004 and September 2008, Pennsauken issued certificates of occupancy for 128 housing units and for the non-residential square footage equivalent of 334 jobs, yielding an actual growth share obligation through September 30,

⁵ Projected Growth Share Family Requirement: .5(Units Addressing the Growth Share Obligation) or .5(270)= 135 units N.J.A.C. 5:97-3.9

⁶ Projected Growth Share Age Restricted Maximum: .25(Projected Growth Share) or .25(359)= 89 units N.J.A.C. 5:97-3.10(c)2

2008, of 47 affordable units.⁷

D. Summary of Plan to Address Fair Share Obligation

REHABILITATION SHARE SUMMARY

Rehabilitation Share: 203 Units

Program Name	# Units
Rehab credits	80
Pennsauken rehab program	123
TOTAL	203

GROWTH SHARE SUMMARY

Projected Growth Share Obligation: 359 Units

	Name of Mechanism	# Units/Bedrooms	Bonus Type	# Bonuses	Total Units/Bedrooms + Bonuses
Prior Cycle Credits	Sycamore Ridge	270			270
Subtotal		270			270
Post-1986 Credits	Stonegate at St. Stephens	18			18
	Lutheran Social Ministries	71			71
Subtotal		89			89
TOTAL					359

⁷ The number of residential COs (128) is initially divided by 5 to yield 26 units and the number of jobs (334) is initially divided by 16 to yield 21 units. Pennsauken's total actual growth share is therefore 47 units (*res* 26 + *non-res* 21). **Note:** This number does not take into account allowable exclusions permitted under N.J.A.C. 5:97-2.4; therefore, the actual growth share may vary.

III. FAIR SHARE DOCUMENT REVIEW

A. Development Fee Ordinance

COAH granted Pennsauken approval of a development fee ordinance on October 20, 2008. The Township adopted the ordinance on December 3, 2008.

B. Third Round Spending Plan

Pennsauken submitted for COAH's review and approval a third round spending plan with its third round petition. The spending plan is reviewed in a separate report.

C. Affordable Housing Ordinance/Affordable Housing Administration

Pennsauken has submitted a draft affordable housing ordinance that comports with the requirements of the Uniform Housing Affordability Controls (UHAC), N.J.A.C. 5:80-26.1 *et seq.*, which was amended on December 20, 2004. The draft proposed ordinance has been amended to include compliance with the barrier free subcode of the State Uniform Construction Code Act (N.J.S.A. 52:27D-119 *et seq.*) and the accessibility requirements of N.J.S.A. 52:27D-123.15. The draft ordinance must be adopted within 45 days of COAH's grant of substantive certification and submitted to COAH immediately upon adoption.

An ordinance establishing the position of a municipal housing liaison and a resolution appointing a municipal housing liaison were adopted by the Township on May 23, 2007.

Pennsauken is responsible for the continued re-sale and re-rental of existing affordable units and the initial sale and rental of newly constructed affordable units within the Township and has identified an experienced administrative entity for that purpose. Pennsauken has designated an employee of the Pennsauken Housing Authority as the administrative agent for all affordable units within the Township.

D. Affirmative Marketing Plan

Pennsauken has submitted an affirmative marketing plan that comports with the requirements of UHAC and ensures that the units in the Township's 1987-2018 Fair Share Plan and all future affordable housing units will be affirmatively marketed to the

region upon initial sale/rental and re-sale/re-rental. Once approved by COAH, the affirmative marketing plan must be adopted by resolution by the Township within 45 days of COAH's grant of substantive certification and submitted to COAH.

IV. MONITORING

Pennsauken must comply with COAH monitoring requirements as set forth in N.J.A.C. 5:96-11, including reporting the Township's actual growth pursuant to N.J.A.C. 5:97-2.5. Pursuant to N.J.A.C. 5:96-10.1, COAH will conduct biennial plan evaluations upon substantive certification of Pennsauken's Housing Element and Fair Share Plan. The purpose of the plan evaluation is to verify that the construction or provision of affordable housing has been in proportion to the actual residential growth and employment growth in the municipality and to determine that the mechanisms addressing the projected growth share obligation continue to present a realistic opportunity for the creation of affordable housing. If upon any biennial review the difference between the number of affordable units constructed or provided in Pennsauken and the number of units required pursuant to N.J.A.C. 5:97-2.5 results in a pro-rated production shortage of 10 percent or greater or the mechanisms addressing the projected growth share obligation no longer present a realistic opportunity for the creation of affordable housing, the Council may direct the municipality to amend its plan to address the shortfall.

V. RECOMMENDATION

COAH staff recommends that Pennsauken be granted third round substantive certification. Pennsauken must adopt all necessary implementing ordinances within 45 days of the grant of substantive certification and submit certified copies of the adopted ordinances to COAH within seven days of the adoption.